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THE SAN FRANCISCO

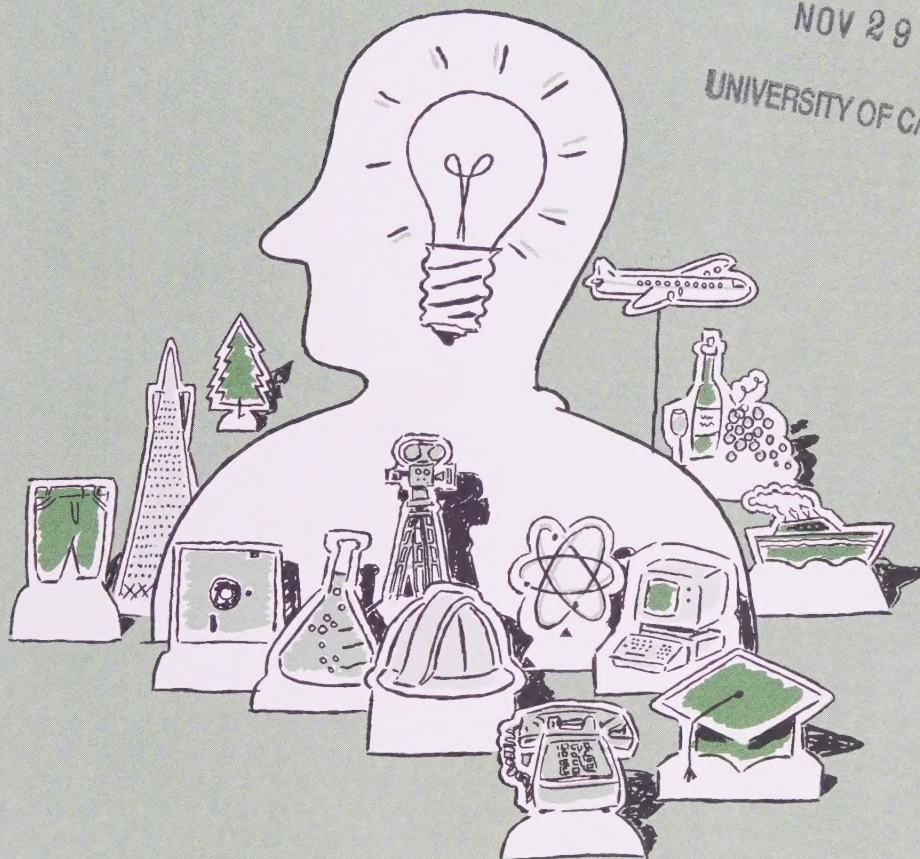
BAY AREA



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NOV 29 1993

UNIVERSITY OF CALIFORNIA



WHERE IDEAS, INDUSTRIES &
OPPORTUNITIES ARE BORN

For any business that thrives on knowledge, new ideas, or technological innovation, the San Francisco Bay Area is the one location that has it all. This is the worldwide capital of "brain-based industries"-the only place offering every advantage businesses need to stay in the forefront of their fields. ♦



THINK OF THE BAY AREA FIRST

THE SAN FRANCISCO BAY AREA HAS PRE-EMINENT UNIVERSITIES THAT PRODUCE OUTSTANDING SCIENTISTS AND PROFESSIONALS. AN EXCEPTIONALLY SKILLED AND WELL-EDUCATED LABOR FORCE. WORLD-CLASS RESEARCH INSTITUTIONS THAT TEAM UP WITH BUSINESS TO BUILD ON A STEADY STREAM OF ADVANCES. A STRONG ORIENTATION TO GLOBAL MARKETS AND STRATEGIC INTERNATIONAL ALLIANCES. THE NATION'S HIGHEST DENSITY OF VENTURE CAPITAL FIRMS. CREATIVE GENIUS IN MARKETING AND ADVERTISING. IN SHORT, ALL THE RESOURCES REQUIRED TO SPAWN, DEVELOP, AND COMMERCIALIZE NEW IDEAS.

THIS AREA IS RENOWNED AS THE BIRTHPLACE OF HIGH TECHNOLOGY AND, MORE RECENTLY, THE INCUBATOR OF BIOTECHNOLOGY, WITH MORE PIONEERING HIGH-TECH AND BIOTECH FIRMS THAN ANY OTHER REGION.

BUT ITS STRENGTHS IN KNOWLEDGE-DRIVEN ENDEAVORS GO FAR BEYOND SCIENCE AND TECHNOLOGY. BECAUSE THE BAY AREA IS THE KIND OF PLACE THAT ATTRACTS BRIGHT, TALENTED PEOPLE, IT EXCELS IN EVERY TYPE OF VENTURE REQUIRING HIGH-LEVEL THINKERS AND DOERS—FROM ENGINEERING AND INVESTMENT BANKING TO MEDICINE AND THE FINE ARTS. THIS REGION IS DISTINGUISHED BY A STRING OF "FIRSTS" SPANNING VIRTUALLY EVERY MAJOR FIELD; THE MICROPROCESSOR, THE HEART TRANSPLANT, AND RECOMBINANT DNA ARE JUST THE BEGINNING OF THE LIST.

THE BAY AREA IS MUCH MORE THAN THE BIRTHPLACE OF HIGH TECH AND BIOTECH. IT IS THE CRUCIBLE FOR ONGOING INNOVATION IN MANY FIELDS.

THERE IS A SECRET TO THE
BAY AREA'S SUCCESS:
THIS IS A PLACE WHERE
EDUCATED, CREATIVE PEOPLE
WANT TO LIVE.

WHAT'S MORE, OUR TECHNOLOGICAL AND SCIENTIFIC PROWESS HAS SPILLED OVER INTO MANY OTHER AREAS OF BUSINESS. IN THE BAY AREA, EVEN COMPANIES IN TRADITIONAL INDUSTRIES HAVE BEEN QUICK TO GAIN A COMPETITIVE EDGE BY EMBRACING SUCH ADVANCES AS ROBOTICS, GENETIC ENGINEERING, AND CAD/CAM. AND IN NO OTHER REGION HAS THE BLEND OF CREATIVITY AND TECHNOLOGY PRODUCED SUCH STUNNING ACHIEVEMENTS IN DESIGN AND VISUAL COMMUNICATIONS.

WHAT REALLY MATTERS, THOUGH, IS THAT THE REGION'S PATTERN OF BREAKTHROUGHS IS ONGOING. BECAUSE OF THIS AREA'S SINGULAR CLIMATE FOR INNOVATION, COMPANIES HERE ARE CONTINUALLY EXPANDING THE BOUNDARIES OF THEIR FIELDS, GENERATING NEW DISCOVERIES, NEW PRODUCTS—INDEED, WHOLE NEW INDUSTRIES—AT A PACE UNMATCHED ANYWHERE ELSE. BAY AREA COMPANIES TODAY

ARE REALIZING IDEAS THAT FEW WOULD HAVE EVEN ENVISIONED TWENTY YEARS AGO, FROM TREATMENTS FOR PREVIOUSLY INCURABLE DISEASES TO INTERACTIVE TELEVISION.

BAY AREA BUSINESSES HAVE PROSPERED THROUGH THE SYNERGY OF PRE-EMINENT RESEARCH INSTITUTIONS, FORWARD-LOOKING ENTREPRENEURS, AND THE SHEER BRAINPOWER DRAWN BY THE AREA'S OPPORTUNITY AND QUALITY OF LIFE. FOR THOSE WHO STRIVE TO BE AMONG THE RANKS OF MAJOR COMPANIES SUCH AS APPLE COMPUTER, GENENTECH, AND LUCASFILM—OR THE SCORES OF DYNAMIC START-UPS THAT EMERGE HERE EACH YEAR—THE SAN FRANCISCO BAY AREA IS THE PLACE TO BE. ◆

THE BASICS

¶ *The Bay Area is the fifth largest metro area in the country, with a population of over 6 million, three urban centers — San Francisco, San Jose, and Oakland — and nine counties, each with its own distinct economic strengths.*

¶ *If the Bay Area were a country, it would be one of the 15 largest economies in the world. Its \$200 billion Gross Regional Product ranks fifth among regions of the U.S.*

¶ *The region encompasses more than 7,100 square miles of major cities, rugged coastline, bay shoreline, forests, mountains, and open space, including a 73,000-acre national recreation area — a dramatic setting for a dynamic economy.*

¶ *Of all U.S. regions, the Bay Area is the most affluent in terms of per-capita income.*

¶ *What most sets the region apart is the quality of its human resources. With more than three million workers, 25% of whom have completed four or more years of college (vs. 17% nationwide), the Bay Area has the most highly educated and skilled labor force in the nation.*

¶ *Quality of life — including lifestyle, economic opportunity, and educational and cultural resources — is the key reason the Bay Area has attracted so much talent.* ♦

TOP BAY AREA COMPANIES

CHEVRON
HEWLETT-PACKARD
BANKAMERICA
SAFEWAY
MCKESSON
PACIFIC GAS & ELECTRIC
PACIFIC TELESIS GROUP
APPLE COMPUTER
INTEL
WELLS FARGO
TRANSAMERICA
CONSOLIDATED FREIGHTWAYS
SUN MICROSYSTEMS
SEAGATE TECHNOLOGY
GAP, INC.
AMERICAN PRESIDENT LINES
AMDAHL
LONGS DRUG STORES
CONNER PERIPHERALS
TANDEM COMPUTERS
SYNTEX
GOLDEN WEST FINANCIAL
NATIONAL SEMICONDUCTOR
CLOROX
QUANTUM
ADVANCED MICRO DEVICES
UNION BANK
MAXTOR
RAYCHEM
POTLATCH

Based on 1992 sales/revenues

Source: San Francisco Chronicle



ECONOMIC INFRASTRUCTURE: AN UNBEATABLE MIX OF ASSETS

THE COMPETITIVE
ADVANTAGE OF BEING
IN THE BAY AREA IS
HAVING ACCESS TO AN
EXCEPTIONAL POOL
OF TALENT.



UNCOMMON HUMAN RESOURCES

As a business location, the Bay Area's greatest advantage is its highly educated, exceptionally skilled population. Educational attainment of residents here is among the highest in the nation. More than one-third of Bay Area workers are employed in managerial, professional, or technical occupations, compared to one-fourth nationwide. The region's combination of opportunity and lifestyle makes it a magnet for outstanding people in every field of endeavor: people with the abilities to think, design, create, manage, and strategize. The Bay Area ranks at or near the top of all regions in its proportion of scientists, lawyers, computer programmers, musicians, engineers, business consultants, authors, physicians, and artists. What businesses gain is a huge pool of well-qualified candidates for employment and, with so many well-educated and highly-paid people, an ideal market for many kinds of products and services.

WORLD-RENOWNED UNIVERSITIES

The Bay Area has a wealth of top-flight universities and colleges, including the two top-ranked graduate schools in the country, as well as one of the nation's top-ranked medical schools. Together, the region's research universities number 27 Nobel laureates among their faculty members.

Stanford University is one of the world's foremost scientific universities, and boasts the leading computer science school in the nation. A catalyst for development of Silicon Valley, Stanford nurtured many of the inventions and entrepreneurs that helped

put that area on the map. Stanford's notable achievements have included development of the IQ test, collagen used in plastic surgery, free-electron laser, radio-wave mapping of the solar system, and a treatment for hemophilia.

University of California, Berkeley is rated the number-one graduate school in the country, ranking among the top ten in 30 out of 32 fields. Its research achievements include the discovery of Vitamin E; development of biological methods for pest control; co-discovery of "Lucy," one of the earliest fossil records of humankind found to date; and the first isolation and crystallization of a virus.

University of California, San Francisco is known the world over as a pioneering health and scientific research institution. For 18 out of the last 19 years, UCSF has received more research funding than any other medical school. Among other advances, UCSF pioneered in neonatal intensive care, co-discovered recombinant DNA technology, synthesized the human growth hormone, and developed transplant techniques now used worldwide. The university has also played a seminal role in research on cancer, AIDS, arthritis, and sickle cell anemia.

University of California, Davis is a recognized leader in the agricultural, biological, and environmental sciences, and a national center for the study of such subjects as AIDS, plant bioengineering, and global environmental change. Its researchers have developed more than 155 new crop varieties and many advances in veterinary, medical, and environmental testing.

THE TOOLS FOR TECHNOLOGY TRANSFER

Programs that make the findings of institutional research available for practical application by the private sector are a key factor in the region's and the nation's global competitiveness. With world-class research universities and eminent national research laboratories, the Bay Area is a leading force in technology transfer.

Stanford University Office of Technology Licensing, one of the largest and most successful entities of its kind, with a licensing program that spans such diverse fields as computer-aided design, biotechnology, medical imaging, and music.

University of California Office of Technology Transfer, which has a highly active patent licensing program that currently represents more than 1,700 inventions from UC campuses, medical schools, and laboratories throughout the state. The program builds particularly on the University's strengths in biotechnology, health care, computer sciences, engineering, agriculture, and chemical/material sciences.

Lawrence Berkeley Laboratory, managed by the University of California for the U.S. Department of Energy, actively shares with the private sector its expertise in fields including conservation, renewable energy, environmental remediation, materials science, computing sciences, biotechnology, and nuclear medicine.

Lawrence Livermore National Laboratory, long known as a key resource for defense-related research, has expanded its mission to become a center for economic competitiveness. With a \$4 billion plant, Lawrence

Livermore is one of the world's largest and most sophisticated research facilities. It actively promotes commercial application of its findings in such areas as biotechnology, environmental science, computer science, lasers and optics, energy, non-destructive evaluation, electronic packaging, precision engineering, and instrumentation.

Sandia National Laboratories is an engineering and scientific facility operated by AT&T for the U.S. Department of Energy. Its areas of research include alternative energy sources, combustion technology, arms control and verification, radiation-hardened electronics, advanced materials, information sciences, microelectronics, environmental sciences, and biomedicine. Sandia seeks opportunities to collaborate with large and small companies, as well as universities and other local and state governments.

Stanford Linear Accelerator evaluates technologies developed from high-energy physics and synchrotron radiation research programs, and makes those with commercial potential available for licensing. It encourages cooperative R&D with industry.

NASA Ames Research Center actively seeks transfer of its research advances in aerodynamics, fluid dynamics and heat transfer, human-machine interaction, life sciences, and technical product management. More than 30 of the nation's principal technological facilities reside at Ames, including the world's most sophisticated wind tunnel complex and most advanced supercomputing system.

IN THE BAY AREA,
THE SYNERGY AMONG
ACADEMIC INSTITUTIONS,
ENTREPRENEURS AND
BUSINESS IS A POWERFUL
FORCE FOR THE CREATION
AND GROWTH OF
INDUSTRIES.



A STRONG GLOBAL
ORIENTATION INSPIRES
BAY AREA BUSINESSES
TO EXPAND THEIR
CONCEPTION OF
OPPORTUNITY.



THE "VENTURE CAPITAL CAPITAL"

The Bay Area has the highest density of venture capital firms in the world: more than one-third of the nation's venture capital is disbursed from here. The close linkage between venture capital firms and the region's entrepreneurs has produced such companies as Intel, Apple Computer, Silicon Graphics, Sun, Genentech, Oracle, and Cisco Systems. Top venture capital firms headquartered here include New Enterprise Associates, Kleiner Perkins Caufield & Byers, J.H. Whitney & Co., Institutional Venture Partners, Mayfield Fund, Hambrecht & Quist, and Sequoia Capital.

GLOBAL ORIENTATION

The Bay Area is one of the most international regions in the nation. It has a multicultural character rooted deep in its history, and a strong network of linkages with other nations in all parts of the world. Home to many firms serving global markets, the region has also attracted foreign firms, such as Fujitsu, Hitachi, and Siemens, who want proximity to the centers of R&D. Three Bay Area counties—Santa Clara, San Francisco, and Alameda—rank among the nation's top 50 counties in employment by foreign-owned companies. The area's technology-oriented firms have also been leaders in forging strategic alliances with overseas partners to accelerate the development and marketing of new products.

RESOURCES FOR BUSINESS DEVELOPMENT

This region has everything needed to turn an idea into a successful product. It is one of the very few places in the world where such high-level resources in R&D, venture capital,

manufacturing, business consulting, marketing, advertising, and distribution can be focused on taking a product from concept to market.

TRANSPORTATION AND DISTRIBUTION NETWORKS

With one of the world's greatest natural harbors and a prominent place in the history of railroads, the Bay Area has been a center for transport and international trade since Gold Rush days. It also has three of California's six Foreign Trade Zones.

International Airports - The region has three international airports—San Francisco, Oakland, and San Jose—which together serve more than 41 million passengers and handle 3.4 billion pounds of cargo annually. The nation's fifth busiest airport, San Francisco International ranks second in the volume of passengers beginning or terminating flights.

International Seaports - San Francisco and Oakland are international seaports and, served by more than 30 major shipping lines, the Port of Oakland is the nation's fourth largest container port. Located at the terminus of three transcontinental railroads and four interstate highways, the Port of Oakland is a key West Coast intermodal connection and the hub of Northern California's distribution system. American President Lines, the largest Pacific Basin shipping company, moves more than 170,000 cargo containers annually through its Oakland terminal. The region also has seven other ports, including Benicia, Richmond, and Redwood City, most of them specialized for cargo such as automobiles, oil, or dry bulk commodities.

Trucking - The growth of Bay Area trucking has been fueled by the distribution needs of the region's industry and agriculture, the area's high volume of ship container traffic and the widespread use of advanced management techniques such as "just-in-time" manufacturing. Virtually every major trucking firm in the nation has one or more terminals in the Bay Area.

SINGULAR QUALITY OF LIFE

The Bay Area has always attracted exceptional people (and the companies they own or work for) because it is an exceptional place to live. A Mediterranean climate and the scenic beauty of the region's rugged coastline, expansive Bay, rolling hills, and coastal forests are only part of its appeal. No other place offers the same diversity of things to enjoy and places to be.

Recreation - After work it's possible to leave a downtown office and be on a hilltop hiking trail within minutes. Only about 18% of the Bay Area's land is urbanized, and no other region offers such close proximity of open space to urban centers. This area is a haven for those who love outdoor activities and mild temperatures year-round. Whether the choice is golf, tennis, sailing, windsurfing, heading for the ski slopes, or bicycling along trails with spectacular vistas, the Bay Area has it all. The same applies to the region's cuisine. The source of the sensibility behind "California cuisine," the Bay Area has as many fine restaurants, lively bistros, and ethnic eating places as any region in the country. An evening's entertainment? Perhaps a film festival, the opera, or watching the world from a North Beach coffeehouse. For major league sports, the Bay Area offers the choice of football (San Francisco '49ers), baseball

(San Francisco Giants, Oakland A's), basketball (Oakland Golden State Warriors), and hockey (San Jose Sharks).

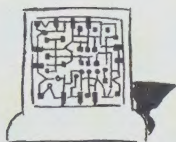
Culture - When describing the Bay Area, the word should be "multiculture." This region offers an eclectic blend of cultural resources enlivened by many geographic influences, a strong university presence, and a vivid sense of history. Instead of one or two outstanding museums, the Bay Area has an entire array. San Francisco alone has three major fine arts museums, including the world-renowned Avery Brundage collection of Asian art. Among fine arts collections, the Oakland Museum and Stanford's Rodin sculpture collection are also ranked with the nation's best. The Technology Center of Silicon Valley attracts visitors from the world over, and San Francisco's Exploratorium and San Jose's Children's Discovery Museum have shown how science education and fun can blend in innovative ways. The arts, educational programs, and ethnic and cultural festivals thrive throughout the region. And San Francisco is one of only a handful of cities in the world with internationally-recognized resident companies in all the major performing arts—the San Francisco Opera, San Francisco Symphony, San Francisco Ballet, and American Conservatory Theater.

Transportation - The Bay Area's six million residents have an extensive transportation system at their disposal. Most major highways have high-occupancy vehicle lanes; public transit includes the Bay Area Rapid Transit System (which is in the process of adding 34.5 miles of track to its existing 72 miles) and other extensive commuter systems—trains, buses, light rail, high-speed passenger ferries, and cable cars. ♦

THE BUSINESS
RESOURCES, THE
LIFESTYLE, THE
CONCENTRATION OF
KNOWLEDGE-BASED
INDUSTRIES—IT IS A
COMBINATION OF
QUALITIES NO OTHER
REGION CAN MATCH.



SOME KEY INDUSTRIES: LEADERSHIP OF IDEAS



HIGH TECHNOLOGY

ADVANCED MICRO DEVICES

AMDAHL

APPLIED MATERIALS

APPLE COMPUTER

AUTODESK

CADENCE DESIGN

CISCO SYSTEMS

CONNER PERIPHERALS

HEWLETT-PACKARD COMPANY

IBM/ADSTAR

INTEL

LOCKHEED MISSILES & SPACE

LSI LOGIC

MAXTOR

NATIONAL SEMICONDUCTOR

ORACLE SYSTEMS

QUANTUM

SEAGATE TECHNOLOGY

SILICON GRAPHICS

SUN MICROSYSTEMS

SYMANTEC

TANDEM COMPUTERS

3COM

BIOSCIENCES

AFFYMAX RESEARCH INSTITUTE

APPLIED IMMUNE SCIENCES

CHIRON CORP.

CYGNUS THERAPEUTIC SYSTEMS

GENENTECH INC.

GILEAD SCIENCES INC.

LIPOSOME TECHNOLOGY INC.

SCIOS INC.

SYSTEMIX

XOMA

The importance of Bay Area companies and industries goes far beyond such standard measures as size, profits, and revenues. This region has been the source of ideas that have not only profoundly influenced business products and practices around the world, but spawned whole new industries.

HIGH TECHNOLOGY

Silicon Valley, a 350-square-mile hotbed of invention centering on the City of San Jose, is the worldwide center of high technology—and the crucible of a global revolution that continues to transform the ways we live and work. High tech really isn't one industry, but many, ranging from semiconductors, electronics, and software to laser technology, robotics, and defense. Together these diverse industries have provided much of the fuel for the Bay Area's economic growth, generating a host of related jobs in services, transportation, and other sectors.

Silicon Valley companies have also been leaders in demonstrating what companies must do to succeed in the '90s and beyond. In order to survive in a climate of intense global competition, constant product development, and extreme price pressure, Silicon Valley firms have focused on high value-added products, become leaner and more customer-driven, structured their operations and partnerships for ongoing innovation, and entered into bold strategic alliances.

Silicon Valley continues to have the highest concentration of technology-oriented firms and professionals found anywhere, and to lead the world in development of pioneering technologies. This area:

- Encompasses more than 2,600 high-tech firms employing over 250,000 people.
- Produces more semiconductors and computers than any other region in the U.S.
- Is consistently ranked the top R&D location in the country.
- Is the headquarters location for one-fifth of the FORTUNE 100 Fastest Growing Companies.

BIOSCIENCES

The birthplace of biotechnology, the Bay Area remains the world leader in core bioscience industries (drugs, diagnostics) as well as in newer sectors (instrumentation, medical equipment, agriculture, environmental remediation). This is where the team of Cohen and Boyer constructed the first recombinant DNA molecule, where the human growth hormone was cloned, where the first "genetically-engineered" bacteria were developed, and so on...and on. The region's fertile climate for the evolution of the bioscience industry is evident in the amount and quality of research conducted here, the availability of specialized financial expertise, the extensive network of industry suppliers, and the area's unmatched concentration of qualified workers.

- Some 330 bioscience firms and research institutions, including most of the industry pioneers as well as new leading-edge companies, are headquartered here.
- The Bay Area's ten university and institutional research centers are a vital source of new technologies licensed to firms worldwide.
- According to Ernst & Young's 1993 report on public U.S. biotechnology firms, the Bay Area accounts for an estimated 15% of all firms, 31% of all product sales, 34% of all revenues, and 49% of all R&D expenditures in the U.S. (This does not include medical devices firms, a major bioscience industry sector in which the Bay Area has a clear leadership position.)
- Key components of the Human Genome Project, the 15-year effort to map the human genetic code, are being researched here.

FILM AND VIDEO PRODUCTION

With one of the nation's most photogenic settings and a concentration of talent in the fields straddling creativity and visual technology, the Bay Area has become the second largest "contract production" market for film and video production in the U.S.—the reason it's often referred to as "Hollywood North". Key segments of the regional film/video industry include commercial production, special effects, feature film editing, and corporate communications. It is not only large firms that are doing creative work in this field; attention is also being gained by small firms such as Quartet, The Kenwood Group, Tam Productions, and Zoe Street Pictures. The Bay Area also boasts some of the nation's hottest post-production houses.

MULTIMEDIA

The multimedia industry is poised for explosive growth over the next decade, and the Bay Area has already established itself as the global center for development of this industry. Multimedia is the intersection of computer technology and audio/visual media—an emerging industry with dramatic implications for the ways we communicate information, and the potential to spawn new technologies that could become as pervasive as the television and telephone are today. In addition to industry leaders, the Bay Area—San Francisco in particular—has many up-and-coming shops such as Haukom Associates, The Hypermedia Group, and Ikonix. Many other small companies are also producing award-winning interactive multimedia applications. With its concentration of technology providers and creative talent in software, film, video, and graphic design—and the nation's most extensive multimedia university curriculum, offered at San Francisco State University—The Bay Area is in the forefront of developments including CD-ROM-based technology and personal publishing.



FILM AND VIDEO PRODUCTION

COLOSSAL PICTURES
FANTASY FILMS
INDUSTRIAL LIGHT AND MAGIC
LUCAS ARTS ENTERTAINMENT
PIXAR



MULTIMEDIA

ADOBE SYSTEMS
APPLE COMPUTER
BRODERBUND
ELECTRONIC ARTS
LUCAS ARTS
MACROMEDIA
ORACLE SYSTEMS
SOFTWARE TOOLWORKS



TELECOMMUNICATIONS

APPLE COMPUTER

GENERAL MAGIC

GTE

HEWLETT-PACKARD

OCTEL COMMUNICATIONS

PACIFIC TELESIS GROUP

ROLM (SIEMENS)

VIACOM CABLE



FINANCE

BANK OF AMERICA

FRANKLIN RESOURCES

GOLDEN WEST FINANCIAL

MONTGOMERY SECURITIES

CHARLES SCHWAB

TRANSAMERICA CORP.

WELLS FARGO BANK

WORLD SAVINGS & LOAN
ASSOCIATION

TELECOMMUNICATIONS

As telecommunications converges with high-technology to produce a whole new generation of information and communication tools, the Bay Area is once again in the vanguard of new developments. This region is home to some of the nation's largest, most sophisticated, and most innovative telecommunications companies. Together with the fiber-optics networks that lace the region, new digital switching and transmission technology now being put in place will provide the platform for a host of communication advances. Among those coming out of this area:

- The telephone of the future—wireless personal communicators small enough to fit in a shirt pocket.
- Interactive TV.
- Cellular telephone networks that handle data and voice transmission, and will ultimately tie portable computers, fax machines, and telephones into wireless networks that can send information anywhere.
- The first full-color motion videophone to use existing phone lines.

FINANCE

San Francisco historically has been the financial center of the West Coast, and the Bay Area's prominence as a financial center remains far out of proportion to its size. San Francisco today is home of the nation's second-largest commercial bank (Bank of America), West Coast headquarters for the Federal Reserve Bank and Federal Home Loan Bank, and headquarters of the Pacific Coast Stock Exchange.

But the region's contributions to the world of finance loom even larger than its financial institutions. They include: the concept of passive investment or "indexing," which was pioneered at Wells Fargo Bank and quickly revolutionized investment management; the discount stock brokerage, originated by Charles Schwab; specialty investment banking, which originally focused on high technology and opened up a whole new arena of financing possibilities for innovative young firms; and the first nationally accepted credit card, introduced by Visa International.

HEALTH CARE

Besides a host of advances in medicine, the Bay Area has been the source of important concepts in health care delivery—most notably, the health maintenance organization, or HMO, which was pioneered by Kaiser Permanente in 1945, and led to many other innovations in health care. Kaiser remains the prototype for the HMO, and the nation's largest private health care delivery system.

APPAREL & DESIGN

With more than 200 local apparel firms producing their own lines and more than 300 contract manufacturers, the Bay Area is the nation's third-largest apparel design and manufacturing center. It is home of the world's largest apparel manufacturer, Levi Strauss. In many ways, this region is also the source of today's ideas of casual dressing. Without the Bay Area's leading apparel firms, blue jeans and a T-shirt wouldn't be the universal look it is today.

MANUFACTURING

While the Bay Area doesn't fit the usual image of a manufacturing center, it actually produces everything from electronics, pharmaceuticals, petroleum products, and apparel to food products and automobiles. Here, the emphasis is on technologically sophisticated, high-value-added manufacturing operations—about half the area's manufacturing activity is in high technology. The Bay Area is also a leader in the development and application of robotics, "just-in-time" production, and other advanced manufacturing techniques.

ENGINEERING & ARCHITECTURE

The design prowess of Bay Area firms is evidenced in locations around the globe. Among companies founded and headquartered here are Bechtel Group, Inc., the nation's largest engineering/construction firm, and a worldwide leader in development of energy, petroleum, transportation, and pollution control facilities; Failure Analysis Associates, which pioneered engineering and consulting techniques for the investigation and prevention

of accidents; and Gensler & Associates, whose approach to office design transformed the way workplaces are envisioned and built.

TOURISM

The Bay Area is among the most popular tourist destinations in the world, attracting visitors from every continent. San Francisco alone plays host to more than 13 million visitors every year; in fact, tourism is the city's single biggest industry. With its new downtown and convention center, San Jose attracts another 4.7 million visitors and conventioners annually, while more than 4.8 million per year visit Napa Valley. Other important tourist attractions are Marine World Africa U.S.A. in Solano County, and the Marin, Sonoma, and San Mateo seacoasts.

PREMIUM WINE

Not so many years ago, the international wine community was stunned when Napa and Sonoma Valley wines began winning top honors in the industry's most prestigious competitions. Today, Napa and Sonoma Counties are internationally known for producing some of the best wines in the world. Napa County, with more than 280 wineries, and Sonoma County, with more than 150, produce almost all of the premium wines made in the U.S. ♦



APPAREL & DESIGN

ESPRIT DE CORP

GAP, INC.

KORET OF CALIFORNIA

JESSICA MCCLINTOCK

LEVI STRAUSS



MANUFACTURING

CALIFORNIA & HAWAIIAN SUGAR

CHEVRON

CLOROX

KAISER AEROSPACE &
ELECTRONICS

NEW UNITED MOTOR
MANUFACTURING INC.

RAYCHEM

STRENGTHS OF THE NINE BAY AREA COUNTIES

THE DIVERSITY OF THE BAY
AREA'S NINE DISTINCTIVE
COUNTIES IS THE ULTIMATE
SOURCE OF THE REGION'S
ECONOMIC STRENGTH.

ALAMEDA - The region's most diverse industrial base, spanning the range from traditional manufacturing and food processing to high tech and biotech. Includes the City of Oakland with the region's busiest port and a fast-growing base of corporate headquarters and office activities.

CONTRA COSTA - A strong industrial base anchored along the Bay shoreline, and an important new center of corporate activities, including "back-office" operations, in major suburban office parks.

MARIN - The most affluent Bay Area county, with an economy dominated by small and mid-sized businesses, many in technical and scientific fields and in retailing. One of the nation's highest concentrations of software companies.

NAPA - The center of the U.S. premium wine industry, and one of the region's key tourist attractions. Lifestyle and other factors have attracted a variety of businesses and industries in modern corporate centers and industrial parks.

SAN FRANCISCO - Leads the region as a financial center, headquarters location for major corporations, magnet for tourists and conventions, and cultural center. Also the center of Bay Area multimedia, design, film, fashion, accounting, consulting, and advertising activities.

SANTA CLARA - The world center of high technology, with an entire spectrum of related services and suppliers. The region's most populous county, with a strong, diverse base of economic activities. Encompasses San Jose, California's second-largest city, and an important business and financial center in its own right.

SAN MATEO - A diversified economy with special strengths in biotechnology, communications, and transportation in north county; electronics, agriculture, and finance in the south. Location of San Francisco International Airport, and the venture capital center of the region.

SOLANO - Site of much of the region's recent residential, office, and industrial development, with a strong base in corporate headquarters, manufacturing, biotechnology, food processing, and distribution activities. Benefits from location between San Francisco and Sacramento.


SONOMA - A key producer of wine and agricultural products and a popular tourist destination. Has substantial open land, a moderate cost of living, and extensive business parks; an important growth area for small and medium-sized businesses and major corporations seeking expansion sites. ♦





THE SAN FRANCISCO BAY AREA




KEY

 **NEW BUSINESS/COMMERCIAL/INDUSTRIAL GROWTH AREAS**

 **BUSINESS/COMMERCIAL/INDUSTRIAL CORRIDORS**

 **INTERNATIONAL AIRPORTS**

 **INTERNATIONAL SEAPORTS**





*with
(Calif)*

THE BAY AREA ECONOMIC FORUM brings a regional perspective to economic issues and opportunities affecting the Bay Area. Through the Forum, leaders in government, business, labor, and higher education join forces to develop and advance policies that promote the long-term economic vitality of the region.

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